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I hereby certify that this correspondence is addressed to: TTAB NO FEE, Assistant Commissioner for Trademarks, 2900 Crystal Drive, Arlington, VA 22202-3513, and is being deposited with UPS for next day delivery on June 14, 2004.

Michelle Alvarez

THE VERMONT TEDDY BEAR
COMPANY, INC.

Opposer,

V.

BUILD-A-BEAR WORKSHOP, INC.,

Applicant.

06-15-2004

U.S. Patent & TMOfc/TM Mail Rcpt Dt. #78

Opposition No. 115,198

Introduction

The Vermont Teddy Bear Company, Inc. (“VTB”) filed an opposition to the registration of Build-A-Bear Workshop, Inc.’s (“BABW”) three-dimensional heart trademark. As the sole basis for its opposition, VTB alleges that it used a similar heart in connection with stuffed animals before BABW.

By this motion, BABW seeks summary judgment in this opposition on the grounds that VTB's alleged use of a heart is merely ornamental and, therefore, insufficient as a matter of law to support its opposition. Even if all of VTB's assertions concerning its use of a heart are taken as true, VTB's use of a heart amounts to nothing more than merely ornamental or decorative use. The facts, the case law, and even the

Examining Attorney for VTB's own application agree that VTB's use is merely ornamental. As such, there is no genuine issue of material fact.

Further, it is an undisputed axiom of trademark law that such ornamental use does not confer any trademark rights. Therefore, VTB's merely decorative and ornamental use of a heart does not give VTB any trademark rights that can be used as the basis for this opposition. If VTB has no trademark rights, BABW is entitled to judgment as a matter of law.

Standard for Summary Judgment

As stated in the Federal Rules of Civil Procedure, summary judgment is appropriate when "the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(c); *National Cable Television Ass'n, Inc. v. American Cinema Editors, Inc.*, 937 F.2d 1572, 19 USPQ2d 1424 (Fed. Cir. 1991).

The United States Supreme Court gave further definition to this standard by noting that summary judgment is appropriate "against a party who fails to make a showing sufficient to establish the existence of an element essential to that party's case, and on which that party will bear the burden of proof at trial." *Celotex Corp. v. Catrett*, 477 U.S. 317 (1986).

The Federal Circuit has stated that the purpose of summary judgment is to save the time and expense of a useless trial where no genuine issue of material fact remains and more evidence could not be reasonably expected to change the result. *See, e.g., Pure Gold, Inc. v. Syntex (U.S.A.), Inc.*, 739 F.2d 624, 222 USPQ 741 (Fed. Cir. 1984) and

Levi Strauss & Co. v. Genesco, Inc., 742 F.2d 1401, 222 USPQ 939 (Fed. Cir. 1984).

Further, the Federal Circuit encourages resolution of matters before the Trademark Trial and Appeal Board by summary judgment. *Sweats Fashions, Inc. v. Pannill Knitting Co. Inc.*, 833 F.2d 1560, 4 USPQ2d 1793 (Fed. Cir. 1987).

Statement of Undisputed Facts

1. BABW filed United States trademark application Serial No. 75/434,462 on February 13, 1998. (“BABW application”)(*Exhibit 1*).
2. The BABW application claims a three-dimensional heart located inside a plush or stuffed toy animal. *Id.*
3. On August 12, 1999, VTB filed an Opposition to BABW's Application asserting Section 2(d) of the Lanham Act as the basis for its opposition—claiming priority of trademark rights based on prior use of a heart. (*Exhibit 2, VTB's Notice of Opposition*).
4. On August 12, 1999, VTB also filed trademark application Serial No. 75/774,077 (“VTB application”) for a three-dimensional heart. (*Exhibit 3*).¹
5. In connection with its application, VTB submitted the following as specimens of its use of the heart claimed in its application to the United States Patent and Trademark Office (“USPTO”):
 - Excerpts from a 1996 Holiday Catalog referring to “Make A Friend For Life” kits. (*Exhibit 4*)
 - A “blueprint” that was included in the “Make A Friend For Life” kits. (*Exhibit 5*)

¹ For each document received pursuant to the various discovery requests and referenced in this motion, documents numbered with “VTB 000_” were produced by VTB. Documents numbered with “BABW-VTB-00_” were produced by BABW. The discovery requests and the corresponding answers are attached as exhibits.

6. The USPTO refused registration of the heart claimed in the VTB application and concluded that “the proposed mark does not function as a trademark nor as a service mark” and the specimens (*See Exhibits 4 and 5*) indicate that “the proposed mark is used as one of the pieces of a kit.” (*Exhibit 6*)
7. In this Opposition, VTB alleges the following uses of a heart occurred prior to February 13, 1998 (the date of the BABW application)²:
- On “Anniversary” and “Birthday” bears—the use consisting of a brass heart pendant around the neck of a bear and engraved with sayings such as “HAPPY ANNIVERSARY 1993” and “HAPPY BIRTHDAY 1994” (*Exhibit 7*);
 - On the “Teddy and Theo” bears—the use consisting of a brass heart pendant around the neck of the “Teddy” or “Theo” bear and engraved with “TEDDY LOVES THEO.” (*Exhibit 8*);
 - On the Teddy and Theo “Make A Friend For Life” kits—the use consisting of either a brass heart pendant around the neck of the “Teddy” or “Theo” bear and engraved with “TEDDY LOVES THEO” or, in the alternative, VTB alleges that the customer was given the option of placing a heart inside the bear. (*Exhibits 9-13*).
 - On “Make A Friend For Life” bears in retail stores—VTB has not made a specific allegation that a heart was used with its bears in retail stores prior to the BABW application. Rather, VTB has alleged that “Make A Friend For Life” bears have been sold since July 1996 and that VTB *currently* sells bears with hearts at the VTB factory store in Shelburne, Vermont. (*Exhibit 14*). Likewise, VTB’s Notice of Opposition is similarly vague and does not specify use in retail stores (*See Exhibit 2, ¶5-7*). Whether or not this use in retail stores actually occurred is irrelevant to this motion. The inferred use of a heart by VTB in retail stores does not differ from the use alleged with respect to its “Make A Friend For Life” kits—VTB either uses heart on pendants or puts it inside of a bear.

Burden On Vermont Teddy Bear to Show Priority of Trademark Rights

In order to prevail in this opposition, VTB must plead and prove that it has proprietary trademark rights in the heart that it claims as the basis of its opposition.

² BABW makes no admission regarding the veracity of such allegations.

Miller Brewing Co. v. Anheuser-Busch Inc., 27 USPQ2d 1711 (TTAB 1993)(citing Trademark Act Section 2(d) and *Zirco Corp. v. American Telephone and Telegraph Co.*, 21 USPQ2d 1542 (TTAB 1991). In addition, VTB must plead and prove that its proprietary interest was obtained prior to the filing date of the BABW application for the three-dimensional heart. *Id.*

Conclusion Summarized

As noted above, VTB bears the burden of showing that it obtained trademark rights prior to the filing date of the BABW application. On the present record (and assuming all facts in favor of VTB), there is no evidence that VTB obtained trademark rights. Rather, the record reflects that VTB used a heart as mere ornamental decoration for its bears. As a matter of law, VTB's ornamental use cannot give rise to trademark rights as the heart does not function as a trademark. Without trademark rights, VTB cannot meet its burden or sustain this opposition.

Analysis of VTB's Failure to Allege and Prove Facts to Support the Opposition

A. Vermont Teddy Bear Must Have Proof of Proprietary Trademark Rights in Order to Meet Its Burden In this Opposition

VTB's asserts Section 2(d) of the Lanham Act as the sole basis for its opposition to BABW's registration. Section 2(d) provides, in relevant part,³ that BABW is entitled to a registration of its three-dimensional heart trademark unless that mark so resembles *a mark previously used in the United States* so as to be likely to cause confusion. *Lanham Act, Section 2(d), 15 U.S.C. §1052(d)* By the very text of Section 2(d), VTB must prove that it has superior trademark rights based on the prior use of a heart as a trademark.

³ VTB does not own or allege a federal trademark registration for a heart. As such, the relevant portion of Section 2(d) is only the segment concerning prior use of an unregistered term.

Indeed, this Board upheld that interpretation on many occasions in mandating that that an opposer like VTB must prove proprietary rights in the term that it relies on to demonstrate likelihood of confusion (and, therefore, prevail in an opposition). *Otto Roth & Co. v. Universal Foods Corp.*, 209 USPQ 40 (CCPA 1981); *Towers v. Advent Software, Inc.*, 16 USPQ2d 1039 (Fed. Cir. 1990); *Kelly Services Inc. v. Greene's Temporaries, Inc.*, 25 USPQ2d 1460 (TTAB 1992). In addition, VTB bears the burden of proof that it actually has a proprietary interest in a trademark that was used as a trademark *before* the date of the BABW application. *Otto Roth & Co. v. Universal Foods Corp.*, 209 USPQ 40 (CCPA 1981); *Miller Brewing Co. v. Anheuser-Busch Inc.*, 27 USPQ2d 1711 (TTAB 1993).

B. Decorative and Ornamental Use of A Heart Design Does Not Give Rise to Any Trademark Rights in a Heart

The common trademark axiom is that first use of a design as a trademark creates legal rights and priority over others. *See* 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* §16:18 (2003); *See New England Duplicating Co. v. Mendes*, 190 F.2d 415, 417, 90 USPQ 151, 152 (1st Cir. 1951) ("the exclusive right to the use of a mark . . . claimed as a trademark is founded on priority of appropriation"). This statement of the prevailing law presumes, of course, that the design is used *as a trademark*. In a situation where a design is not used *as a trademark*—such as when a design is merely used as decoration or ornamentation—that ornamental design cannot be a trademark. *See* 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* §7:24 (2003); *See also American Basketball Ass'n v. AMF Voit, Inc.*, 177 USPQ 442 (SDNY 1973), *aff'd* without opinion, 180 USPQ 290 (2nd. Cir. 1973), *cert. Denied*, 181 USPQ 685 (1974). Simply stated, use of an ornamental design does not

function as a trademark to signify a source for the goods. Thus, if the ornamental design cannot function as a trademark to identify a source, there can be no recognizable trademark rights in that decorative design.

Indeed, the United States Patent and Trademark Office incorporates this principle in its published rule of practice. The Trademark Manual of Examining Procedure includes an entire section on cases of ornamental matter. *See TMEP Section 1202.03* In the section entitled “Refusal on Basis of Ornamentation” the TMEP clearly states that a decorative feature “does not identify and distinguish the applicant’s goods and, thus, does not function as a trademark.” *Id.* Most importantly, the TMEP reiterates that mere ornamental or decorative use of a design cannot receive the benefits of Section 2 of the Lanham Act in stating that mere ornamentation “does not function as a trademark as required by §§1, 2, and 45 of the Trademark Act.” *Id.* Thus, the clear statement of the law is that Section 2(d)—the entire basis for VTB’s opposition—does not recognize decorative or ornamental use as conferring any trademark rights.

C. There Is No Question of Law or Fact: Vermont Teddy Bear Only Uses A Heart as Mere Decoration and Ornamentation

The parties have provided each other with numerous interrogatories, interrogatory answers, and several hundred documents as proposed evidence in the discovery process. Despite all of this, there is no evidence that VTB used a heart in any manner other as mere decoration for its bears.

For purposes of this motion for summary judgment it is not necessary to dispute the dates or times that VTB alleges that it used a three-dimensional heart. Even if this Board accepts the alleged dates of “use” in the light most favorable to VTB, there is no material question of fact. VTB’s use of the heart is merely ornamental.

1. The Facts of Vermont Teddy Bear's "Use"⁴

a. The Anniversary and Birthday Bears

VTB alleges that it first used a three-dimensional heart on its "Anniversary" and "Birthday" bears. *See Exhibit 7*. VTB freely admits that it used a brass heart as part of a necklace around the bears' necks. In fact, the documents produced by VTB show the bears were sold with a "brass heart pendant" around the necks of the VTB bears. The brass hearts are engraved with sayings such as "HAPPY ANNIVERSARY 1993" or "HAPPY BIRTHDAY 1994." *Id.*

b. The "Teddy" and "Theo" Bears

VTB alleges that its next use of a three-dimensional heart was on its line of bears named "Teddy" and "Theo" bears. *See Exhibit 8*.⁵ VTB admits that these "Teddy" and "Theo" bears were also sold with a brass heart as part of a necklace. Documents from VTB clearly show that these "Teddy" and "Theo" bears were sold with a "brass heart pendant" around the necks of the bears. *Id.* In addition, the brass heart pendants are engraved with the message "TEDDY LOVES THEO." *Id.*

c. "Teddy" and "Theo" as "Make A Friend For Life" Bears

The "Teddy" and "Theo" bears were also the centerpieces of VTB's "Make A Friend for Life" line of bears. The information from VTB shows that the "Make A Friend For Life" bears were an extension of the existing "Teddy" and "Theo" line of bears. Indeed, each document produced by VTB regarding the "Make A Friend For Life" bears demonstrates the relationship to the "Teddy" and "Theo" line of bears.

⁴ BABW makes no admission regarding the veracity of such allegations.

For instance, the documents show that VTB offered mail order kits in the “Make A Friend For Life” program where the purchaser could put together his or her own “Teddy” or “Theo” bear. As shown in *Exhibit 9*, the purchaser could select one “Make A Friend For Life” kit to make a “Teddy” or the other “Make A Friend For Life” kit to make a “Theo” bear. The “Teddy” kits had one tracking number. “Theo” had another.

In fact, as the illustrations in *Exhibit 9* also show, the “Make A Friend For Life” kits continued VTB’s “Teddy” and “Theo” practice of incorporating the brass heart pendant around Teddy or Theo’s neck. Likewise, the text of the document from VTB instructs the purchaser to “carefully place the brass heart around your bear’s neck.” *Id.*

The “Make A Friend For Life” kits also included the exact same brass heart that was used for the individual “Teddy” and “Theo” bears. As seen in *Exhibit 10*, the kits included a brass heart with the same engraved message: “TEDDY LOVES THEO.”

BABW draws the Board’s attention to *Exhibit 11* concerning the continuation of the “Teddy and Theo” bears as the “Make A Friend For Life” Bears. *Exhibit 11* shows a catalog page emblazoned with the “MAKE A FRIEND FOR LIFE” logo. Immediately adjacent this logo is a picture of the “Teddy” and “Theo” bears. The text under the “MAKE A FRIEND FOR LIFE” logo restates the same story about the “Teddy” and “Theo” heart—both wear a brass heart pendant that reads “TEDDY LOVES THEO.” The connection to the “Make A Friend For Life” bears is unmistakable.

The undeniable connection between “Teddy”, “Theo”, and the “Make a Friend For Life” bears is again shown in another page from that same catalog. *See Exhibit 11*. In this page from the VTB catalog, we again see the huge “MAKE A FRIEND FOR LIFE” logo. Likewise, VTB again draws its own connection between the bears by

specifically referencing the same brass heart with the “TEDDY LOVES THEO” engraving; by showing a picture of the bears with that same heart pendant on a necklace; and by offering the two available “Make A Friend For Life” kits as one “Teddy” kit and one “Theo” kit with the same tracking numbers as the previous catalogs.

To the extent that VTB now claims it provided customers the option of placing a brass pendant inside the bear, the only evidence of such alleged use is a single reference in the 1996 Holiday catalog (See *Exhibit 4*, where the illustrations show the brass heart as a pendant on the bear’s neck) and a “blueprint” from the “Make A Friend For Life” kit (See *Exhibit 5*), which the USPTO appropriately rejected as not trademark use. See *Exhibit 6* (USPTO rejection of specimens as not demonstrative of trademark use); See also *In re Dimitri’s Inc.*, 9 USPQ2d 1666 (TTAB 1988)(“the advertisement itself shows use of the mark merely in an ornamental fashion” and, therefore, does not promote use of the term as a trademark.).

d. “Make A Friend For Life” Bears in Retail Stores

VTB alleges that its “Make a Friend For Life” bears were sold in retail stores since some time in 1996. However, VTB has never alleged that it used a three-dimensional heart in any different manner in its retail stores than it had in the “Make A Friend For Life” kits. Nor has VTB provided any documentation or evidence that its use in stores is different than its use of the heart in the kits. As noted above, the “Make A Friend For Life” bears are simply a continuation or extension of the “Teddy” and “Theo” bears. Therefore, the analysis of whether VTB’s alleged “use” of the heart is merely decorative or ornamental does not depend on whether VTB sold its bears in retail stores or in mail order kits. Rather, they were the same bears with the same use.

2. Proof That Vermont Teddy Bear's "Use" of a Heart is Mere Ornamentation—As a Matter of Law

VTB's use of a heart on its bears—such as a heart pendant around the neck of the bears—is simply another form of decoration for its bears. A heart pendant is certainly a lot like any other of the decorative little party hats, sunglasses, outfits, or jewelry that VTB might sell to adorn its bears. *See In re Sandberg & Sikorski Diamond Corp.*, 42 USPQ2d 1544 (TTAB 1996)(holding that a configuration design of jewelry was merely ornamental and did not function as a trademark). Yet, VTB does not claim that those ornamental features are trademarks. The simple answer is that, like its other decorative ornaments, the heart does not function as a trademark.

a. Vermont Teddy Bear's Own Application for a Three-Dimensional Heart was Rejected by the USPTO Because the Heart Does Not Function as A Trademark.

The United States Patent and Trademark Office itself determined that the heart as used by VTB is not a trademark under the Lanham Act and, instead, determines that the heart is mere decoration.

On the same date that VTB filed this opposition, it also filed a federal trademark application for a three-dimensional heart. *See Exhibit 3*. During the prosecution of that application, VTB received three separate rejections from the USPTO. Each rejection maintained that the "the proposed mark does not function as a trademark nor as a service mark." (The Office Actions are attached as *Exhibit 6*). The Examining Attorney characterized VTB's use of the heart as "just one of the pieces of the kit." *Id.* In addition, the Examining Attorney also stated that, based on her interpretation of the Lanham Act, VTB's heart was not used as a trademark to identify the source of VTB's goods or service as required by Sections 1, 2, 3, and 45 of the Lanham Act. *Id.*

b. Vermont Teddy Bear Offers the Same Evidence That Was Rejected Three Times By The USPTO.

In this opposition, Vermont Teddy Bear seeks to try what has already been rejected by the USPTO three times: to prove that it uses the heart as a trademark. In fact, the USPTO rejected the very same evidence of ornamental use that VTB attempts to rely on in this opposition.

As proof of its use of a three-dimensional heart, VTB submitted an excerpt from its catalog regarding the “Teddy” and “Theo” Make A Friend For Life Bears/kits (*See Exhibit 4*). In addition, VTB submitted the “blueprint” that was included in its “Teddy” and “Theo” Make A Friend For Life kits. (*See Exhibit 5*).

As noted above, the Examining Attorney at the USPTO reviewed these specimens along with VTB’s application. Again, the Examining Attorney held that VTB’s use as shown in these specimens did not constitute trademark use under the Lanham Act. The Examining Attorney proceeded to offer the standard language for a refusal of registration based on ornamentation. *See TMEP 1202.03*.

Undeterred, VTB again drags out these very same documents as the proof of its use in this opposition. It is clear that VTB puts these documents at the forefront of its case. However, as stated previously, the date of these documents is absolutely irrelevant because these documents do not create a genuine issue as to priority. Rather, the documents only show the use of a heart as decoration—not as a trademark—as required in Section 2(d) of the Lanham Act.

c. The Case Law is Also Clear: Vermont's Use of A Heart Is Ornamental as a Matter of Law

The United States Court of Appeals for the First Circuit found a similar use of a heart to be merely ornamental. *Wiley v. American Greetings Corp.* 226 USPQ 101 (1st Cir. 1985). In fact, the First Circuit entered summary judgment in that case on the basis that the use of a heart at issue—a heart used on the outside of a bear—was ornamental. *Id.* Similarly, BABW is entitled to summary judgment because VTB has only shown an ornamental use of the heart, not trademark use.

D. Conclusion: Vermont Teddy Bear Has No Trademark or Service Mark Rights and, Therefore, Cannot Sustain This Opposition

Taking all factual matters in a light most favorable to the Opposer, BABW is entitled to judgment as a matter of law. Despite VTB's claims that it used a three-dimensional heart before BABW (and even assuming this assertion is true), VTB cannot assert that it obtained any trademark rights in a three-dimensional heart. This is true because, as a matter of law, VTB's use was merely ornamental. VTB's alleged first use of the brass heart pendant was as mere ornamentation in 1989. VTB merely continued to use a heart as decoration. The USPTO agreed VTB's use is ornamental and does not function as a trademark or service mark under the Lanham Act.

The law is clear that VTB cannot prevail in this opposition unless it can prove a proprietary interest in a heart before February 13, 1998. In this case, VTB cannot prove any interest at any time.

Therefore, summary judgment is appropriate against Vermont Teddy Bear Company as there are no genuine issues of material fact and Build-A-Bear Workshop is entitled to judgment as a matter of law.

Dated: June 14, 2004

BLACKWELL SANDERS PEPER MARTIN LLP

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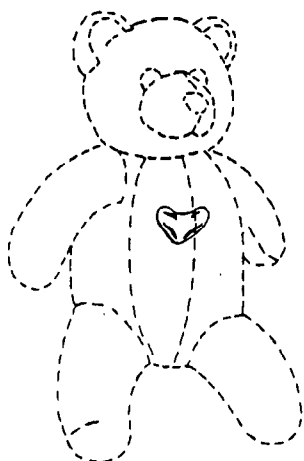
Build-A-Bear Workshop, Inc.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing was served upon H. Jay Spiegel, H. Jay Spiegel & Associates, 8778 Thomas J. Stockton Parkway, Alexandria, Virginia 22308 by depositing it with UPS for next day delivery on this 14 day of June 2004.

Michelle Alvey

jlauterbac *** Serial Number: 75434462 *** 1/11/00 4:17:34 PM *



Goods and Services

IC 028. US 022 023 038 050. G & S: plush animals and stuffed toy animals

IC 035. US 100 101 102. G & S: retail store services featuring plush toy animals, stuffed toy animals, and accessories

Mark Drawing Code

(2) DESIGN ONLY

Design Code

030114 030124 210111

Serial Number

75434462

Filing Date

February 13, 1998

Filed ITU

FILED AS ITU

Publication for Opposition Date

July 13, 1999

*** Search: 4 *** Document Number: 1 ***

(cont)

BABW-VTB-300

EXHIBIT

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jlauterbac *** Serial Number: 75434462 ***

Owner Name and Address

(APPLICANT) Build-A-Bear Workshop, L.L.C. LIMITED LIABILITY COMPANY
MISSOURI 1964 Innerbelt Business Center Drive St. Louis MISSOURI 63114

Description of Mark

The mark consists of a three dimensional heart shaped object. The outline of a teddy bear is used to signify the placement of a heart shaped object inside a stuffed or plush toy animal; the teddy bear design itself is not claimed as part of the mark, as the heart shaped object may be placed in any stuffed or plush toy animal. The stippling on the heart shaped object is for shading purposes only.

Type of Mark

TRADEMARK. SERVICE MARK

Register

PRINCIPAL

Live Dead Indicator

LIVE

BABW-VTB-301

*** Search: 4 *** Document Number: 1 ***

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the matter of:
Trademark Application Serial No. 75/434,462
Filed February 13, 1998
For the Mark THREE-DIMENSIONAL HEART-
SHAPED OBJECT
Published in the Official Gazette on July 13, 1999 at TM 77

THE VERMONT TEDDY BEAR COMPANY,)	
INC.,)	
)	
Opposer,)	
)	Opposition No. _____
v.)	
)	
BUILD-A-BEAR WORKSHOP, LLC,)	
)	
Applicant.)	

NOTICE OF OPPOSITION

Honorable Commissioner for Trademarks
2900 Crystal Drive
Box TTAB Fee
Arlington, Virginia 22202-3513

Sir:

The above-identified Opposer believes that it will be damaged by registration of the mark shown in the above-identified application, and hereby opposes registration of the same.

The grounds for the opposition are as follows:

1. Opposer, THE VERMONT TEDDY BEAR COMPANY, INC., (hereinafter referred to as "Opposer"), is a New York corporation

having a business address at 6655 Shelburne Road, P.O. Box 965, Shelburne, Vermont 05482.

2. Opposer markets various stuffed toys including teddy bears in various ways including by mail order, through the use of toll-free telephone numbers, in retail stores, and through an INTERNET Web Page.

3. One aspect of Opposer's business involves encouraging customers to place a felt or brass heart within the chest of a stuffed bear before the chest of the stuffed bear is closed with thread or other fastening means.

4. In a first way that Opposer sells the concept described in paragraph 3 above, Opposer sells "MAKE A FRIEND FOR LIFE" kits that include a blueprint instructing the customer in the placement of a heart within the chest of a stuffed bear, which blueprints accompany materials used by the customer to place the heart within the chest of the stuffed bear before the chest is closed.

5. Another way in which Opposer markets this concept as described in paragraph 3 above is to provide areas within its retail stores and the retail stores of others, pursuant to agreement with Opposer, where stuffed animals including teddy bears can be assembled including the step of placing a felt or brass heart within the chest of the stuffed animal before the chest is closed.

6. Opposer has been providing the service of permitting customers to place a heart within the chest of a stuffed animal and

has been providing stuffed animals with a heart placed within the chest thereof continuously in interstate commerce since at least as early as September, 1996. Such continuous use in commerce has been throughout the 50 States of the United States.

7. As a result of Opposer's continuous and extensive use and promotion of the placement of a heart within the chest of a stuffed animal before the chest is closed, the trade and consuming public have been led to believe that this concept originates from Opposer.

8. Concurrently with the filing of this Notice of Opposition, Opposer has filed an application for registration of the Trademark consisting of placement of a heart within the chest of a stuffed animal and the Service Mark of (1) providing areas in its retail outlets and the retail outlets of others where customers can place a heart within the chest of a stuffed animal before the chest is closed, and (2) offering for sale by mail order and telephone order MAKE A FRIEND FOR LIFE kits to be used by the customers to place a heart within the chest of a stuffed animal before the chest is closed.

9. On February 13, 1998, Applicant filed an Intent to Use United States Trademark Registration for the mark consisting of a three-dimensional heart shaped object with the drawing showing the outline of a teddy bear used to signify the placement of a heart shaped object inside a stuffed or plush toy animal.

10. Applicant's application was a combined Trademark/Service Mark application seeking Trademark coverage in International Class

28 for plush animals and stuffed toy animals and in International Class 35 for retail store services featuring plush toy animals, stuffed toy animals and accessories.

11. Applicant's Intent to Use application was assigned Serial No. 75/434,462 and was published for Opposition on July 13, 1999, in the Official Gazette of the U.S. Patent and Trademark Office (1224 O.G. No. 2 at TM 77).

12. On information and belief, Applicant did not file an amendment to allege use before the Notice of Publication was mailed.

13. Opposer believes that Opposer is the first user of the Trademark and Service Mark that are the subject of Applicant's Trademark/Service Mark application Serial No. 75/434,462. In Applicant's application, a declaration was signed by Manager, Maxine Clark, on behalf of Applicant, on February 10, 1998, which declaration included the following statements:

"she believes the applicant to be the owner of the application sought to be registered ... she believes the applicant to be entitled to use such mark in commerce ... to the best of ... her knowledge and belief no other person, firm, corporation, or association has the right to use the above identified mark in commerce, either in the identical form or in such near resemblance thereto as may be likely, when applied to the goods and services of such other person, to cause confusion, or to cause mistake, or to deceive".

14. On information and belief, when the declaration including the averments set forth in paragraph 13 above was signed, Applicant was aware of Opposer's prior use of the mark.

15. Opposer's mark and Applicant's mark as set forth in Applicant's application are virtually identical, the only possible difference being the particular materials from which the heart is manufactured. Applicant's mark so resembles Opposer's mark as to be likely when used in conjunction with Applicant's goods to cause confusion or to cause mistake or to deceive within the meaning of the Lanham Act § 2(d), 15 U.S.C. § 1052(d).

16. Opposer will be damaged if Applicant obtains registration for Applicant's mark because such registration would be prima-facie evidence of the validity of the registration, Applicant's ownership of Applicant's mark, and Applicant's exclusive right to use Applicant's mark in commerce, when in fact Applicant is not entitled to such rights by virtue of Opposer's prior continuous use throughout the United States.

17. In view of the above, Opposer believes that it would be damaged by registration of Applicant's mark.

WHEREFORE, Opposer prays that application Serial No. 75/434,462 be refused, that no Notice of Allowance be issued thereon to Applicant, and that this Opposition be sustained in favor of Opposer.

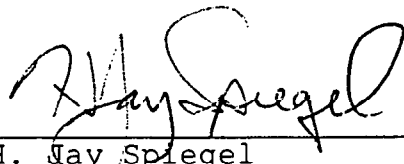
Please direct all correspondence to:

H. Jay Spiegel
H. JAY SPIEGEL & ASSOCIATES
P.O. Box 444
Mount Vernon, Virginia 22121
(703) 619-0101 - Phone
(703) 619-0110 - Facsimile.

DATED: August 12, 1999

Respectfully submitted,

H. JAY SPIEGEL & ASSOCIATES



H. Jay Spiegel
Attorney for Opposer
THE VERMONT TEDDY BEAR COMPANY,
INC.
Registration No. 30,722

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August 12, 1999

The Honorable Commissioner of
Patents and Trademarks
Washington, D.C. 20231

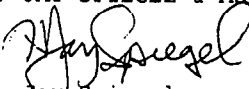


Sir:

Please find attached hereto the U.S. "Actual Use" Combined Trademark and Service Mark application consisting of a three dimensional heart shaped object. Also enclosed are five (5) specimens evidencing use on the goods and five (5) specimens evidencing use in association with the services, a drawing, and a check in the amount of \$490.00 to cover the filing fee for one Class of Goods and one Class of Services.

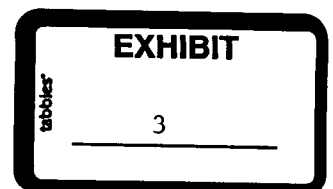
Respectfully submitted,

H. JAY SPIEGEL & ASSOCIATES


H. Jay Spiegel

HJS:tg
Attachment

BABW-VTB-355



MARK: Consists of a Three Dimensional Heart Shaped Object. The Outline of a Teddy Bear is used To signify the placement of a heart shaped Object inside a stuffed or plush toy animal; The teddy bear design itself is not claimed As part of the mark, as the heart shaped Object may be placed in any stuffed or plush Toy animal.

To The Commissioner of Patents
and Trademarks:

THE VERMONT TEDDY BEAR COMPANY, INC. is a corporation of the State of New York, having a place of business at 6655 Shelburne Road, P.O. Box 965, Shelburne, Vermont 05482.

The above-identified Applicant has adopted and is using the mark shown in the accompanying drawing for both goods and services as follows:

(1) The goods consist of inserting the mark inside the goods prior to purchase as well as on blueprints and catalogs;

(2) The services consist of signage, advertising and promotional materials, marketing techniques, and by other means customary in the trade.

Applicant requests that the Trademark and Service Mark be registered in the United States Patent and Trademark Office on the Principal Register established by the Trademark Act of July 5, 1946.

The Trademark was first used in connection with the goods at least as early as September 19, 1996; was first used in interstate commerce at least as early as September 19, 1996; the Service Mark

was first used in connection with the services at least as early as September 19, 1996; was first used in interstate commerce at least as early as September 19, 1996; and both the Trademark and Service Mark are now in use in such commerce.

The Trademark is used by applying the same to plush animals and stuffed toy animals in International Class 28, and to blueprints and catalogs; and the Service Mark is used by applying the same to retail store services and mail order services featuring plush toy animals, stuffed toy animals, and accessories therefor in International Class 35; and five (5) specimens each of the mark as actually used on both goods and services are presented herewith.

The undersigned, ELISABETH ROBERT, being hereby warned that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any registration resulting therefrom, declares that she is President of Applicant Corporation and is authorized to execute this instrument on behalf of said Corporation; she believes said Corporation to be the owner of the Trademark and Service Mark sought to be registered; to the best of her knowledge and belief no other person, firm, corporation, or association has the right to use said mark in commerce, either in the identical form or in such near resemblance thereto as may be likely, when applied to the goods of such other person, to cause confusion, or to cause mistake, or to deceive; the

facts set forth in this application are true; and all statements made of her own knowledge are true and all statements made on information and belief are believed to be true.

POWER OF ATTORNEY

Applicant hereby appoints H. JAY SPIEGEL, Registration No. 30,722, a member of the Bars of the State of Virginia, and the District of Columbia, whose address is P.O. Box 444, Mount Vernon, Virginia 22121, its duly authorized attorney to prosecute this application to register, to transact all business in the Patent and Trademark Office in connection therewith and to receive the Certificate of Registration.

THE VERMONT TEDDY BEAR COMPANY, INC.

Elisabeth Robert
By ELISABETH ROBERT, President /

8-10-99
DATE

BABW-VTB-358